



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

March 5, 2001

H.R. 724

A bill to authorize appropriations to carry out part B of title I of the Energy Policy and Conservation Act, relating to the Strategic Petroleum Reserve

*As ordered reported by the House Committee on Energy and Commerce on
February 28, 2001*

SUMMARY

H.R. 724 would extend the authorization for the Strategic Petroleum Reserve (SPR) to September 30, 2003. The authorization for the SPR expired on March 30, 2000.

Assuming appropriation of the necessary amounts, CBO estimates that implementing this legislation would cost \$342 million over the 2002-2006 period, if the 2001 appropriation is increased in 2002 and 2003 to account for anticipated inflation. (Without such inflation adjustments, the cost would be \$330 million.) H.R. 724 would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply. The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA), and would have no impact on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 724 is shown in the following table. Two alternative funding paths are shown: one with adjustments for inflation, and one without such adjustments. The costs of this legislation fall within budget function 270 (energy).

	By Fiscal Year, in Millions of Dollars					
	2001	2002	2003	2004	2005	2006
SPENDING SUBJECT TO APPROPRIATION						
With Adjustments for Inflation						
Spending Under Current Law						
Budget Authority ^a	165	0	0	0	0	0
Estimated Outlays	164	90	33	8	0	0
Proposed Changes						
Estimated Authorization Level	0	169	173	0	0	0
Estimated Outlays	0	76	137	86	34	9
Spending Under H.R. 724						
Estimated Authorization Level ^a	165	169	173	0	0	0
Estimated Outlays	164	166	170	94	34	9
Without Adjustments for Inflation						
Spending Under Current Law						
Budget Authority ^a	165	0	0	0	0	0
Estimated Outlays	164	90	33	8	0	0
Proposed Changes						
Estimated Authorization Level	0	165	165	0	0	0
Estimated Outlays	0	74	132	83	33	8
Spending Under H.R. 724						
Estimated Authorization Level ^a	165	165	165	0	0	0
Estimated Outlays	164	164	165	91	33	8
a. The 2001 level is the amount appropriated for that year.						

BASIS OF ESTIMATE

For this estimate, CBO assumes that the bill will be enacted by the end of fiscal year 2001, and that the necessary amounts will be appropriated by the start of each fiscal year to operate and maintain the SPR. Outlay estimates are based on historical spending patterns for the SPR program.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

The bill contains no intergovernmental or private-sector mandates as defined in UMRA, and would have no impact on state, local, or tribal governments.

ESTIMATE PREPARED BY:

Federal Costs: Lisa Cash Driskill

Impact on State, Local, and Tribal Governments: Tori Heid Hall

Impact on the Private Sector: Lauren Marks

ESTIMATE APPROVED BY:

Peter H. Fontaine

Deputy Assistant Director for Budget Analysis